

# Workforce News



A quarterly publication of the Department of Workforce Services: issued September 2009

**Southeast Utah: Carbon, Emery, Grand, San Juan**

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## Inside:

- › **Carbon:** Elevated new claims for unemployment benefits suggest there were job losses in the second quarter of 2009.
- › **Emery:** 180 jobs were shed in the 12 months ending in March 2009—a decline of 4.7 percent.
- › **Grand:** The employment situation took a definite turn for the worse in the first quarter of 2009.
- › **San Juan:** Unemployment claims are on an upward trend as second quarter 2009 ends.

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## Elevated Claims

The current recession began in the U.S. after seasonally adjusted nonfarm payroll employment peaked in December 2007. At that time, there were 138.2 million nonfarm jobs. There have been job losses every month since then, totaling 6.5 million by June 2009. It is important to note that seasonally adjusted nonfarm jobs in Utah also peaked in December 2007, as measured by the Bureau of Labor Statistics, and have fallen in 14 of 18 months, with 9 consecutive months of losses to June 2009.

Job counts, losses or gains provide an excellent barometer of what is happening to the labor market and the economy of any area. There is a problem, however, with the timeliness of that information. If we want to measure the economic health of a county in Utah there is a lag of four to five months after the end of each quarter before we have reliable nonfarm payroll job counts, because employers are asked to report their employment levels four times each year, one month after the end of each quarter. Workforce Services receives 60,000 plus employer reports that are

classified, edited, and entered into the unemployment insurance system. After which, this information is relatively complete, reliable, and ready to use.

If employment is falling in January 2008 in Tooele County, it becomes reliably evident with job counts that aren't available until July 2008, four months after March—the end of the first quarter.

In a recessionary period, there is one labor market measure that provides almost concurrent information, indicating within a few weeks whether significant employment losses are occurring—weekly initial unemployment insurance claims. This is a count of the number of people who make a new claim for unemployment benefits during a given week. This count is available as rapidly as the very next week and can be compared and contrasted with previous counts to indicate whether job losses are occurring and the economy is in a recessionary period.

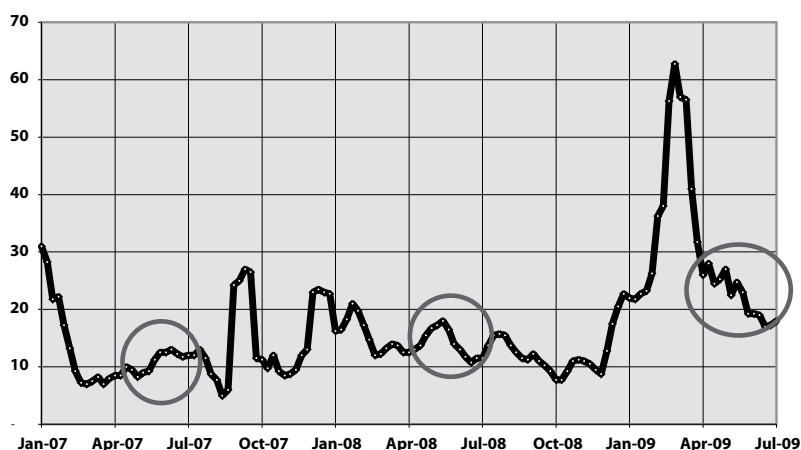
It is important to note that even in the best of economic times there are

*(continued)*

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## Elevated Claims (continued)

**Four-week Moving Average Carbon County Initial Unemployment Insurance Claims January 2007 to July 2009**



Source: Utah Department of Workforce Services.

seasonal layoffs and businesses that are reducing employment or even closing. So any economy will have a base level of new unemployment claims. Also, we know that any given week's claims can be quite volatile depending on factors such as when there is a holiday, seasonal layoffs, weather patterns, and natural disasters. Experience has shown that by using a four-week moving average, analysts can better interpret labor market trends that are evident from initial unemployment claims data.

What have the new claims for unemployment benefits told us about the recession in the Southeast Region? Are jobs losses still occurring?

### Carbon County

The four-week moving average of initial unemployment claims did not display any noticeable response to the national recession during 2008. While there may have been more volatility during the year, there was a declining trend until a relatively normal increase at the end of the year.

(See chart)

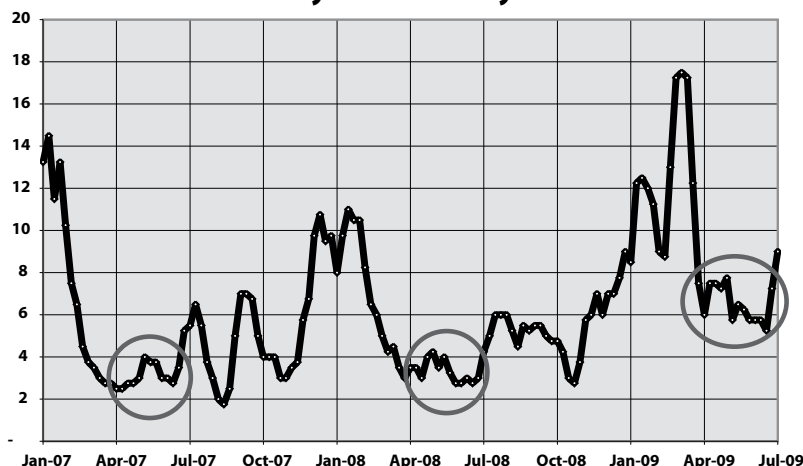
In February and March 2009, we see a definite spike in unemployment claims, reaching a high of 63 that dropped back below 30 by April. We know that this sudden spike corresponds to a loss of about 110 jobs in the mining industry at that time.

We don't have Carbon County employment counts for April, May, and June 2009. The initial claims, although trending down for this entire period, are considerably higher than the corresponding three-month periods in either 2007 or 2008. These elevated new claims would suggest that there were additional job losses in Carbon County during the second quarter of 2009.

### Emery County

Like Carbon County, Emery County's four-week moving average of initial unemployment claims did not display any noticeable response to the national recession during 2008. There seemed to be less volatility during 2008.

**Four-week Moving Average Emery County Initial Unemployment Insurance Claims January 2007 to July 2009**



Source: Utah Department of Workforce Services.

## Elevated Claims (continued)

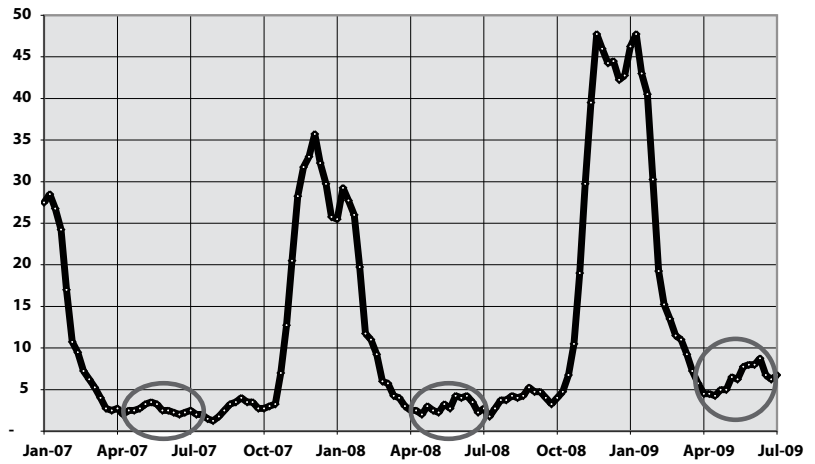
than there was in 2007. (See chart)

In February and March of 2009, we see a small spike in unemployment claims, reaching a high of 17 that dropped back below 8 by April. Again, we don't have Emery County employment counts for April, May, and June 2009. Initial claims are somewhat higher than the corresponding three-month periods in either 2007 or 2008. These higher new claims suggest that the state's recession may be having an effect in Emery County, with some additional job losses during the second quarter of 2009.

### Grand County

Grand County has a very distinct seasonal pattern with a low level of unemployment claims during the tourist season (mid-March through mid-October) when the labor market is tight, followed by a large increase during the winter months (see chart). It appears that the national recession (and even world recession) may have increased the 2008-

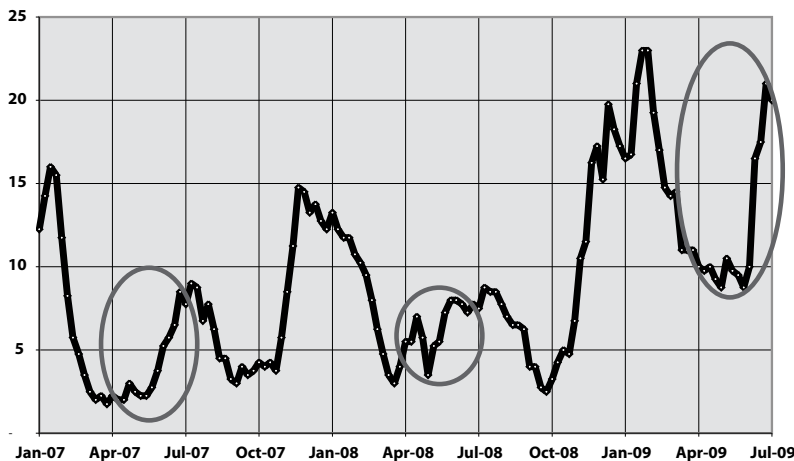
**Four-week Moving Average Grand County Initial Unemployment Insurance Claims January 2007 to July 2009**



Source: Utah Department of Workforce Services.

2009 winter claims peaking just above 45, compared to a peak of 35 the year before. New claims for unemployment in the second quarter 2009 are a little higher than in either 2007 or 2008.

**Four-week Moving Average San Juan County Initial Unemployment Insurance Claims January 2007 to July 2009**



Source: Utah Department of Workforce Services.

### San Juan County

The four-week moving average of new claims in San Juan County seems to show a more pronounced effect from the recession than other counties in the southeast, beginning in October 2008. Recall that the national and state recessions went into high gear at this time as a result of the severe financial crisis beginning at the end of August 2008. Unemployment claims in San Juan County are higher than normal in the second quarter of 2009 and are on an upward trend.

If we believe the signal being flashed by the initial unemployment claims data, we are likely to see some additional jobs losses in southeast Utah when second quarter 2009 employment counts are released in October. **WFN**

# County News

## Carbon County:

By March 2009, Carbon was one of just two counties showing job growth over the previous twelve months, the other being Duchesne County. There were 316 more jobs in March 2009 in Carbon County than a year earlier—growth of 3.3 percent. This best-of-state performance among counties occurred in spite of a reduction in mining employment of 173 from November 2008 to March 2009. In December 2008, Carbon County job growth was 9 percent above the previous December. In the first half of 2009 unemployment has been increasing. On a seasonally adjusted basis, unemployment was 4.3 percent in January 2009 and increased to 6.8 percent by June.

## Emery County:

The labor market in Emery County is showing year-over job losses in the first quarter of 2009, but at a moderating pace. A total 180 nonfarm jobs were shed in the twelve months ending in March 2009—a decline of 4.7 percent. This compares favorably to the 10.2-percent year-over drop measured in December 2008. During the first quarter this year, mining employment was stable and there were job increases in the construction industry. The seasonally adjusted unemployment rate has held relatively steady since March 2009 at about 5.1 percent. In June there were an estimated 274 residents unemployed compared to 194 in June 2008 when the unemployment rate was 3.7 percent.

## Grand County:

The employment situation in Grand County took a definite turn for the worse during the first quarter of 2009. In January 2009, total nonfarm jobs were 3,662—down by 2.1 percent, or a reduction of 80 from the previous year. By March, the jobs total was 4,299—a decline of 5.4 percent, or 246 fewer jobs than in March 2008. The primary reason the year-over percent change in jobs went from minus 2.1 to minus 4.5 was that the accommodation and food industry hired about 150 fewer workers by March 2009 than during the seasonal buildup of last year. This could mean that the recession is having a significant impact on tourism and/or that cautious employers are delaying some hiring until they are sure there is sufficient demand. The seasonally adjusted unemployment rate was 7 percent in June 2009 compared to 5.3 percent in June 2008.

## San Juan County:

The San Juan County labor market softened in the first quarter of 2009. In March there were 4,014 nonfarm jobs—110 fewer than a year before, declining by 2.7 percent. As was the case for Grand County, there was less hiring through March in the seasonal buildup for the accommodation and food industries. Also there were 70 fewer local government jobs in March 2009 than recorded a year earlier and 23 fewer retail trade jobs than there were in March 2008. The unemployment rate has been increasing, reaching 9.5 percent in June 2009 compared to 6.2 percent in June 2008. **WFN**

For more employment information about your county go to: <http://jobs.utah.gov/countyinfo>.

# What's Up?

"Federal stimulus money and an extra allocation from the Omnibus Appropriation Act infused an additional \$118 million into the **Moab tailings project** to accelerate the timeline of the cleanup. Actual excavation of the 16 million tons of uranium tailings began in February and rail shipments to the Crescent Junction disposal site began in late April. The funding went from nearly \$24 million in fiscal 2008, to fiscal 2009 spending of \$148 million. By the completion of the project, it is estimated anywhere from \$844 million to nearly \$1.1 billion will have been spent for cleanup."

—Deseret News

"The State Board of Regents approved a resolution to **merge the College of Eastern Utah with Utah State University**. The recommendation to merge the two institutions will go before state legislators in the upcoming session. CEU President Mike King said he isn't sure if the decision by the regents is the right one, but he said he would work with the regents to make it work. "It's always going to be more expensive to deliver education to rural Utah, but it's also always going to be worth it," King said, adding that the school's Price and Blanding campuses are the "anchor" of southeastern Utah's economy."

—Deseret News

"The **Federal Interior Board of Land Appeals cleared the way for oil and gas drilling** around prehistoric ruins in southern Utah. The board rejected the Southern Utah Wilderness Alliance

(SUWA) challenge of 15 leased parcels sold at a November 2006 lease auction of public lands. A lawyer for oil and gas producers noted that none of the 15 contested parcels treads on lands proposed for protection under America's Redrock Wilderness Act, a bill lingering in Congress. SUWA believes that "these leases are in some of the nation's richest, most culturally sensitive lands."

—Deseret News

"The **Navajo Nation Council** has approved legislation to create the Navajo Green Economy Commission, the first step toward fulfilling hopes of creating hundreds of "green jobs" on the reservation straddling the Utah-Arizona border. The legislation sets up an infrastructure to capture federal money earmarked for developing environmentally friendly jobs on small-scale community projects."

—Salt Lake Tribune

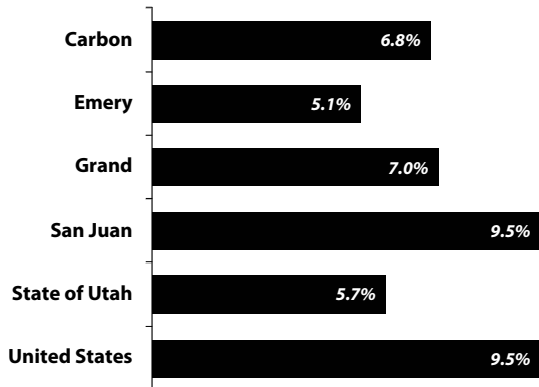
"According to the National Parks Conservation Association, the local economies of Grand and San Juan counties, home to Arches and Canyonlands national parks and Hovenweep and Natural Bridges national monuments, have 1.2 million people visit each year, which results in an estimated \$31 million of tourism-related spending in **San Juan County** and \$107 million in **Grand County**. Economist Daniel Stynes estimated, that in 2006, this spending supported 2,315 jobs."

—Deseret News

**Southeast Utah: Carbon, Emery, Grand, San Juan**

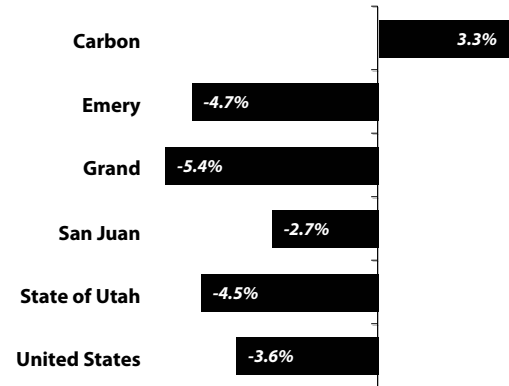
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**Seasonally Adjusted Unemployment Rates  
June 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs  
March 2008 to March 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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